

Council Meeting of
April 26, 2011

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: General Services – Award a Purchase Order for One Propane-fueled Chipper Truck

Expenditure: \$98,527.92 (including sales tax and tire fees)

RECOMMENDATION

Recommendation of the General Services Director that the City Council authorize the “Special Opportunity” purchase of one (1) new and unused 2009 GMC TC7C042 propane-fueled cab and chassis with chipper body from Reynolds Buick GMC of Covina, California, in the amount of \$98,527.92 including sales tax and tire fees.

Funding

Funding is available from the Fleet Services Vehicle and Equipment Replacement Fund.

BACKGROUND

The chipper truck listed below has exceeded its useful life and requires replacement:

Vehicle #	Year	Make	Model	Mileage	Condition
8967	1986	GMC	7000 w/Chipper Body	91,577	Very Poor

The proposed truck purchase is in keeping with the City’s ongoing efforts to “green” the heavy-duty truck fleet wherever possible and is in accordance with the South Coast Air Quality Management District’s *Fleet Rules* which mandate acquisition of alternatively fuel vehicles whenever municipal fleets replace older heavy-duty trucks that are fueled by diesel.

ANALYSIS

Although the truck recommended for purchase is a 2009 year model, it is new and unused and will be afforded the same GMC warranty coverage as a current year model truck, beginning at the date of delivery.

This truck is the last remaining propane-fueled unit of its kind in Southern California. GMC discontinued this line of trucks with the 2009 year model and thus far no other truck manufacturer has produced an equivalent propane-fueled cab and chassis that is available for sale in California.

Because this truck is still in the vendor's inventory, Reynolds Buick GMC is offering it to the City of Torrance at a discounted price that is \$10,000 lower than what the City paid this same vendor for the identical Chipper Truck in 2009 as a result of a competitive bid (Bid # B2008-38).

By comparison, a 2011 year model Chipper Truck outfitted with a CNG fuel system would cost the City approximately \$40,000 more (before sales tax) than this propane fueled truck. Additionally, CNG-fueled cab and chassis' require preventive maintenance services that are far more time-consuming than are the propane-fueled versions.

Staff recommends that the City take advantage of this Special Opportunity Purchase and that the City Council approve a purchase order under Section 22.3.18 of the Torrance Municipal Code - EXCEPTION; SPECIAL OPPORTUNITY PURCHASES;

Special opportunity purchases may be made by the City Manager where:

- a) The City Council finds that a proposed purchase that is subject to this Article is either below the current market price and will result in a significant cost savings to the City, or that the proposed purchase is not more than the current market price, and that significant time will be saved in delivery or installation of the equipment by such a purchase; and
- b) The City has a current need for the item or items of property to be purchased.

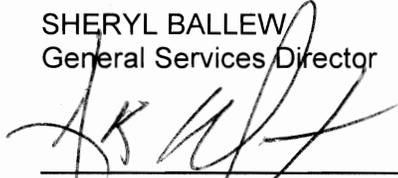
CONCUR:


 Sheryl Ballew
 General Services Director


 LeRoy J. Jackson
 City Manager

Respectfully submitted,

SHERYL BALLEW
 General Services Director


 By David K. Winnett, Jr.
 Fleet Services Manager